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July 29, 1998

EX PARTE

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

ORIGINAL

Re: Implementation of the Cable Television Consumer Protection
and Competition Act of 1992, and Petition for Rulemaking of
Ameritech New Media, Inc., CS Docket No. 97-248 and RM No. 9097

Dear Ms. Salas:

In its Comments and Reply Comments in the above-referenced proceeding, Bell Atlantic explained that deliberate attempts to evade the program access rules by moving programming from satellite to terrestrial delivery violate Section 628, 47 U.S.C. §548. Bell Atlantic also supported Ameritech's proposal to amend the program access complaint rules in order to put some real teeth in the Commission's ability to enforce compliance with the requirements of Section 628 and the Commission's implementing regulations, 47 C.F.R. §76.1000, *et seq.* The purpose of this letter is to re-emphasize the key role that access to critical programming, such as regional sports, plays in enabling alternative multichannel video programming distributors (MVPDs) to offer real competition to incumbent cable operators, and to urge the Commission to ensure that its program access rules promote such access.

On March 2, 1998, Bell Atlantic announced that it had entered into a marketing relationship with DIRECTV and USSB to offer their services throughout the Bell Atlantic footprint. A copy of that news release is attached. In its Comments and Reply Comments in this proceeding, DIRECTV provided evidence that Comcast, the incumbent cable operator in Philadelphia, has moved regional sports programming from satellite to terrestrial delivery and has refused to sell its programming to DIRECTV and other DBS providers.

Philadelphia is an important market in Bell Atlantic's footprint, and the absence of regional sports programming will significantly impede Bell Atlantic's and DIRECTV's

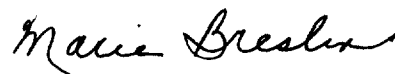
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ability to compete against the incumbent cable operator. Indeed, as DIRECTV pointed out in their Reply Comments, hindering competitors and potential competitors appears to be the express purpose behind Comcast's change of delivery method.

Bell Atlantic has, in the past, provided information to the Commission concerning the importance of regional sports programming to the establishment of a viable video offering. Given the increasing concern expressed by Chairman Kennard and Congress over rising cable rates and the lack of competition faced by incumbent cable operators, the Commission should make clear that it will not tolerate evasion of the program access requirements by vertically integrated programmers.

If you have any questions, please do not hesitate to call me.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Marie Breslin".

Attachment

cc: T. Power
J. Mago
A. Wallgren
H. Walker
R. Chesson
D. Lathen
W. Johnson

NEWS RELEASE

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Bell Atlantic, DIRECTV and USSB Announce Agreements

Bell Atlantic to Offer Consumers a Genuine Alternative to Cable TV

NEW YORK, LOS ANGELES and ST. PAUL, March 2, 1998 -- Bell Atlantic and DIRECTV, Inc., today announced a multi-year marketing and distribution agreement to offer the nation's leading direct broadcast satellite television service to millions of consumers. Bell Atlantic and U.S. Satellite Broadcasting (USSB**) also announced an agreement in principle to offer USSB's premium movie networks and Big Events** pay-per-view programming to customers.

The agreements cover the single family residence market. The companies also have agreements in principle that encompass the multiple family dwelling unit market, primarily apartments. A service launch in the single family arena is expected by this summer in two major markets, yet to be announced. Meanwhile, Bell Atlantic has already begun acting on opportunities in the commercial and apartment markets in metropolitan areas throughout its service territory.

"The Bell Atlantic arrangements with DIRECTV* and USSB will enable us to offer consumers a no-hassle, superior alternative to cable TV by delivering, via a one-stop process, a digital, multiple channel video service featuring the best of entertainment and news networks, sports and pay-per-view movies in one easy package, including local channels," said Dick Beville, president-Bell Atlantic Video Services.

Consumers will be offered a complete service package featuring Bell Atlantic sales and service, more than 200 channels from DIRECTV and USSB and, in most cases, access to local broadcast channels through a high performance, off-air antenna. With one call to Bell Atlantic a consumer can order programming, arrange to lease or purchase a DSS* system comprised of a

--more--

compact 18-inch satellite dish, digital set-top receiver and remote control unit, and schedule installation of equipment. Once all the equipment is installed and a customer is receiving programming, Bell Atlantic will remain the point of contact for customer support.

"With its marketing know-how, established local service presence and the largest customer base of any regional telephone company, Bell Atlantic is well positioned to successfully market DIRECTV as a cable alternative, and complement our well-established retail distribution partners," said John McKee, senior vice president, Special Markets for DIRECTV. "We're extremely pleased to be part of Bell Atlantic's portfolio of diverse telecommunications services, and their customers will benefit from the highest quality digital video service available anywhere."

DIRECTV delivers more than 175 channels of digital entertainment, including popular networks such as CNN, USA Network, The Disney Channel, Home Team Sports and ESPN. DIRECTV also features a variety of seasonal professional and collegiate sports subscription services -- including the NFL Sunday Ticket -- and 31 channels of commercial-free audio. In addition, DIRECTV subscribers have access to more than 55 different pay-per-view movie choices every night for \$2.99 each when ordered with the DSS remote control. Hit movies start as often as every 30 minutes on DIRECT TICKET* Pay Per View.

"With our agreement Bell Atlantic will now be able to offer to millions of its customers the Ultimate Movie Experience on TV** -- USSB," said Stanley E. Hubbard, president and CEO of U.S. Satellite Broadcasting. "Bell Atlantic's approach of providing customers a one-stop, superior alternative to cable TV is important because it will give consumers more choice and flexibility in their decision to switch from cable to the 18-inch DSS mini-dish. We believe Bell Atlantic customers will be drawn to USSB's unmatched lineup of movie network brands."

USSB delivers the leading commercial-free, premium movie network brands, plus Big Events pay-per-view programming including exclusive boxing events. USSB's premium channel lineup includes multi-channel networks from HBO, Showtime, Cinemax, and The Movie Channel, plus Flix and several new networks including Sundance Channel, Showtime Extreme and fXM: Movies from Fox.

In most cases, Bell Atlantic will provide access to local broadcast channels through the installation of an off-air antenna, which also will provide access to digital broadcast signals when broadcasters begin converting to a digital format later this year.

"Today's announcement is another indication of Bell Atlantic's commitment, following the merger with NYNEX, to accelerate the introduction of new products and services such as data, Internet and video," said Jim Cullen, president-Telecommunications Group, Bell Atlantic.

DIRECTV, Inc., is a unit of Hughes Electronics Corporation. The earnings of Hughes Electronics are used to calculate the earnings per share attributable to GMH (NYSE symbol) common stock. Visit DIRECTV on the World Wide Web at www.directv.com.

United States Satellite Broadcasting Company, Inc., based in St. Paul, Minn., provides subscription television programming via a high-power direct broadcast satellite and the DSS platform to households throughout the continental U.S. USSB is traded on the Nasdaq stock market's national market under the symbol "USSB." Visit USSB on the World Wide Web at www.ussb.com.

Bell Atlantic – formed through the merger of Bell Atlantic and NYNEX – is at the forefront of the new communications and information industry. With 40.5 million telephone access lines and six million wireless customers worldwide, Bell Atlantic companies are premier providers of advanced wireline voice and data services, market leaders in wireless services and the world's largest publishers of directory information. Bell Atlantic companies are also among the world's largest investors in high-growth global communications markets, with operations and investments in 21 countries. Bell Atlantic news releases, executive speeches, news media contacts and other useful information are available at Bell Atlantic's News Center on the World Wide Web (www.ba.com).

*DIRECTV, DSS and DIRECT TICKET are trademarks of DIRECTV, Inc., a unit of Hughes Electronics Corporation

**USSB, Big Events, and "The Ultimate Movie Experience on TV" are service marks of United States Satellite Broadcasting Company, Inc.

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